a lower drive shaft coupled to the top drive output shaft and comprising an adjustable segment that is selectively adjustable to adjust the length of the second drive shaft;

a lower pipe engagement assembly including a central passageway sized for receipt of the pipe segment, the lower pipe engagement assembly being operative to releasably grasp the pipe segment, the lower pipe engagement assembly being connected to the second drive shaft, whereby actuation of the top drive assembly causes the lower pipe engagement assembly to rotate; and

means for applying a force to the second shaft to cause the length of the adjustable segment to be shortened.

2 10. The pipe running tool of claim 9, wherein the means for applying comprises a load compensator in the form of a pair of hydraulic cylinders.

3 11. The pipe running tool of claim 9, wherein the lower pipe engagement assembly is actuated by one of a hydraulic system and a pneumatic system.

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4 12. The pipe running tool of claim 9, wherein the lower pipe engagement assembly comprises a generally cylindrical housing defining a central passage, and a plurality of slips disposed within the housing and displaceable radially inwardly to engage a casing segment extending through the passage.

5 13. The pipe running tool of claim 9, further including a block connected to the top drive assembly and adapted for engaging a plurality of cables connected to the rig to selectively raise and lower the top drive assembly.

10 14. (Amended) A pipe running tool mountable on a rig and designed for use in connection with a top drive assembly adapted to be connected to the rig for vertical displacement of the top drive assembly relative to the rig, the top drive assembly including a drive shaft, the top drive assembly being operative to rotate the drive shaft, the pipe running tool comprising:

a lower drive shaft coupled to the top drive output shaft and comprising an adjustable segment that is selectively adjustable to adjust the length of the second drive shaft;

means for applying a force to the second shaft to cause the length of the adjustable segment to be shortened; and

a lower pipe engagement assembly comprising:

a housing defining a central passageway sized for receipt of a pipe segment, the housing being coupled to the top drive assembly for rotation therewith,

a plurality of slips disposed within the housing and displaceable between disengaged and engaged positions, and

a powered system connected to the respective slips and operative to selectively drive the slips between the disengaged and engaged positions.

11 15. The pipe running tool of claim 10, further including a hoist mechanism connected to the lower pipe engagement assembly and operative to hoist a pipe segment into the central passageway of the lower pipe engagement assembly.

12 16. The pipe running tool of claim 11, wherein the hoist mechanism comprises an axle journaled to the lower pipe engagement member, a pair of pulleys rotatably mounted to the axle, and a gear connected to the axle, whereby the gear may be coupled to a drive system for rotating the axle.

13 17. The pipe running tool of claim 10, wherein the powered system comprises one of a hydraulic and pneumatic system.

14 18. The pipe running tool of claim 10, further including a block connected to the top drive assembly and adapted for engaging a plurality of cables connected to the rig.

15 19. In a system for assembling a pipe string comprising a top drive assembly, a lower pipe engagement assembly coupled to the top drive assembly for rotation therewith and operative to releasably engage a pipe segment, and a load compensator operative to raise the lower pipe engagement assembly relative to the top drive assembly, a method for threadedly engaging a pipe segment with a pipe string, comprising the steps of:

actuating the lower pipe engagement assembly to releasably engage a pipe segment;